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HELMS TOLD TO CUT GLOBAL EXPENSES

Nixon Order Aims at Better
Intelligence Gathering

By BENJAMIN WELLES

Special to The New York Times

WASHINGTON, Nov. 6 — President Nixon has given Richard Helms, his Director of Central Intelligence, new orders—and new authority—to trim costs and improve the output of the nation's global intelligence system.

In a statement issued yesterday by the White House—under circumstances strongly suggesting it was designed to attract as little public notice as possible—Mr. Nixon disclosed details of a far-reaching reorganization.

Intelligence experts here believe that Mr. Helms, armed with his new Presidential backing, may be able in the coming months to cut \$1-billion from the \$5-billion to \$6-billion that the United States spends yearly to ascertain, with sky satellites, electronic eavesdropping, secret agents and other sources, Soviet and Chinese Communist military developments.

The reorganization plan, which has been under study at the Office of Management and Budget for at least a year, makes three main changes, informants say:

1. It gives Mr. Helms, who is 58 years old, the first authority ever given an intelligence chief to review—and thus affect—the budgets of all the nation's foreign intelligence agencies as well as the Central Intelligence Agency, which he will continue to head. The other agencies include units within the Defense and State Departments, the Atomic Energy Commission and the Federal Bureau of Investigation.

2. It will free Mr. Helms from much day-to-day responsibility for espionage, counter-espionage and such covert operations as the White House periodically orders through its secret "Forty Committee."

This committee, named for a numbered memorandum, includes Henry A. Kissinger, the White House national security assistant, Attorney General John N. Mitchell, Under Secretary of State John N. Irwin 2d, Deputy Defense Secretary David Packard, Adm. Thomas H. Moorer, chairman of the Joint Chiefs of Staff, and Mr. Helms. Mr. Helms's duties here will be assumed by his deputy, Lieut. Gen. Robert E. Cushman, Jr.

3. It creates a new intelligence subcommittee under the National Security Council with the aim of tailoring the daily "product" garnered by the nation's vast overseas intelligence network closer to the needs of the "consumers". President Nixon and his top staff.

Presumably, intelligence sources say, the Forty Committee will be merged into the council's new subcommittee since the membership of each is identical.

Not Always Responsive

"The President and Henry [Kissinger] have felt that the intelligence we were collecting wasn't always responsive to their needs," said one source. "They suspected that one reason was because the intelligence community had no way of knowing day to day what the President and Kissinger needed. This is a new link between producers and consumers. We'll have to wait and see if it works."

Mr. Kissinger will add the chairmanship of the new subcommittee to several others he already holds.

Another development in the president's reorganization is the creation of a "net assessment group" inside Mr. Kissinger's National Security Council staff. It will be headed by Andrew M. Marshall, a consultant with the Rand Corporation of Los Angeles.

"Net assessment means comparing over-all U.S.S.R. forces and capabilities with those of the U.S.," said an American intelligence expert. "It's as complicated a calculus as exists. We in the intelligence world often know more about Soviet forces and capabilities than we do about our own—and this new group is intended to pull it all together in one place for the President."

Resources Committee

Under the new plan Mr. Helms will also head an Intelligence Resources Advisory Committee" on which will be represented the state and Defense Departments, the Office of Management and Budget and the C.I.A.

The white House announcement said that the committee will "advise the D.C.I. on the preparation of a consolidated program budget." This, in the view of experts, is Mr. Helms's new authority to supervise and, at least partly, control the involved in collecting intelligence.

The Pentagon spends \$3-billion yearly on intelligence if all its activities are counted, said one source.

"This is 80 per cent of everything the United States spends for intelligence," he said. The President hasn't given Helms control of the D.O.D.'s Intelligence budget, but at least he can now see it and advise on it before it's presented as a fait accompli."

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6 NOV 1971

Nixon moves to better spy systems' coordination; Kissinger, Helms assigned broader powers

BY ARNOLD R. ISAACS

Washington Bureau of The Sun

Washington—President Nixon moved yesterday to improve coordination among the government agencies involved in foreign intelligence activities.

Part of the plan would tie the intelligence effort more closely into the National Security Council apparatus headed by Mr. Nixon's most influential foreign-policy adviser, Henry A. Kissinger.

The reorganization also will mean that Richard Helms, the director of central intelligence, will turn over many of his agency's day-to-day operations to his deputy and spend more time as the government's general intelligence overseer.

The CIA chief theoretically has been the head of the whole "intelligence community" since the Kennedy administration,

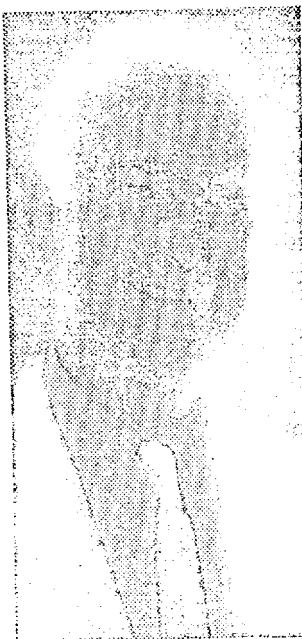
presiding over the United States Intelligence Board. But the limits of his authority never have been defined very precisely.

The White House, announcing the new structures yesterday, said they were designed "to improve the efficiency and effectiveness" of the intelligence agencies, which together employ an estimated 200,000 persons—three-fourths of them military servicemen—and spend about \$5 billion a year.

Mr. Nixon also ordered the creation of a new National Security Council Intelligence Committee, which Dr. Kissinger will head. The committee, the White House said, "will give direction and guidance on national intelligence needs and provide for a continuing evaluation of intelligence products."

This seemed to indicate that the council will have greatly expanded authority over the different agencies.

Within the council's structure a new "net assessment group," also will be created. The group will evaluate intelligence data and make studies on the relative balances of military strength in



RICHARD HELMS

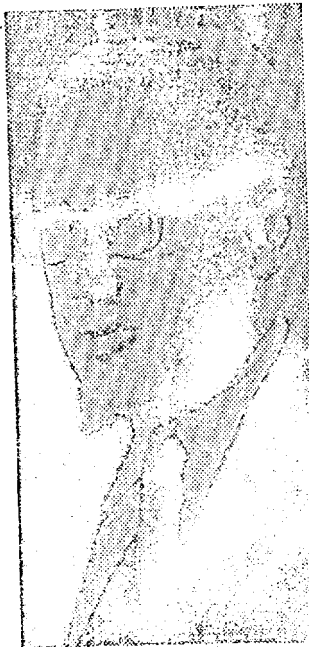
the world. The unit will be headed by Andrew Marshall, the Rand Corporation's former director of strategic studies.

The CIA director will be given "an enhanced leadership role," serving as chairman of a reconstituted U.S. intelligence board and also heading a new Intelligence Resources Advisory Committee, which will draw up proposals for a consolidated budget for all the intelligence agencies.

Marine in charge

Officials said this means that the CIA's deputy director, Lt. Gen. Robert E. Cushman of the Marine Corps, will take over much of the responsibility for the CIA's own operations.

Government agencies represented on the intelligence board include, beside the CIA, the State Department's Bureau of Intelligence and Research; the Defense Department's National Security Agency, which specializes in code-cracking; the Defense Intelligence Agency, which has separate Army, Navy and Air Force components working on military intelligence; the Treasury Department; the FBI, and the Central Intelligence Agency's own mission.



HENRY KISSINGER

Proposals to revamp the intelligence structure have been floating through the administration for many months. The plan announced yesterday was drafted primarily by the National Security Council staff and the Office of Management and Budget.

2 failures cited

Questions about the present system's effectiveness seemed to center mainly on the Defense Intelligence Agency.

Two notable intelligence failures in Indochina have been cited as causing the failure of an attempt by U.S. troops in November, 1970, to rescue American prisoners of war from the Sontay Prison Camp in North Vietnam and as having hampered the South Vietnamese campaign in Laos last February and March.

In the Sontay attempt, the Army and Air Force raiders landed only to discover that all the P.O.W.'s had been moved out.

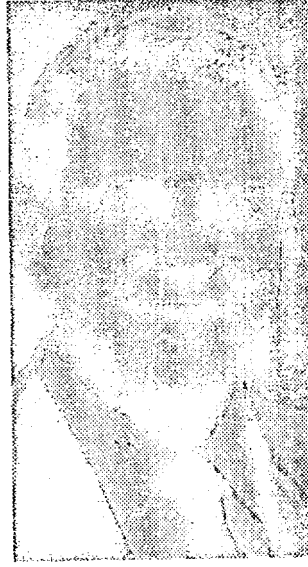
In the Laos campaign, the South Vietnamese Army suffered heavy casualties and some units were sent fleeing back

across the border when North Vietnamese forces in the frontier zone proved to be far stronger than had been anticipated.

6 NOV 1971



RICHARD HELMS
... intelligence chief



GEN. ROBERT CUSHMAN
... new CIA duties

Helms to Oversee U.S. Spy Network

By Don Oberdorfer
Washington Post Staff Writer

President Nixon announced a long-awaited reorganization of the U.S. intelligence community yesterday creating a government-wide coordinating role for CIA Director Richard Helms and bringing military agencies under closer civilian control.

The overhaul was ordered following what the White

House called "an exhaustive study" of the far-flung foreign intelligence agencies of the U.S. government. The various agencies are unofficially reported to employ 200,000 persons and to cost \$5 billion yearly.

The aim of the reorganization, according to the White House announcement, is to improve "efficiency and effectiveness." Although the statement did not say so, high-ranking officials are known to feel that the military intelligence apparatus had grown too large and costly in comparison to the amount of useful information it produces.

There also have been reports that the President and senior aides were unhappy with the military intelligence planning which went into the abortive Sontay prison raid and the South Vietnamese incursion into Laos. White House officials deny

that reorganization is in response to dissatisfaction about particular estimates or reports.

One of the principal changes announced yesterday is the creation of a consolidated foreign intelligence program budget for the entire government, to be supervised by a high-ranking committee under Helms. Officials said Helms would be empowered to dip into any intelligence agency, civilian or military, for information to justify elements of its budget.

According to the announcement, Helms is being granted "an enhanced leadership role ... in planning, reviewing, coordinating and evaluating all intelligence programs and activities, and in the production of national intelligence."

Helms has been instructed to reorganize his own office within the next 30 days so that

he may assume his new government-wide responsibilities, officials said.

He will turn over many of his operating responsibilities for the Central Intelligence Agency to his deputy director, Marine Lt. Gen. Robert E. Cushman Jr.

Cushman served four years as the national security aide of then-Vice President Nixon from 1957 to 1960, and is considered close to Mr. Nixon.

Helms will become chairman of a reconstituted U.S. intelligence board to consider national intelligence requirements and priorities, the security of intelligence data and the protection of intelligence sources and methods.

Other members of the board will be Cushman, the chiefs of the major intelligence agencies of the Defense and State Departments and representatives of the Treasury Department, Federal Bureau of Investigation and Atomic Energy Commission.

Two elements of the reorganization appear to give greater control to the National Security Council staff under presidential assistant Henry A. Kissinger.

A new NSC intelligence committee, headed by Kissinger and including Attorney General John N. Mitchell and other high officials, has been established to give "direction and guidance" on national intelligence needs and evaluate the usefulness of the information received from the user's point of view.

At the NSC staff level, the reorganization created a new net assessment group to be headed by Anthony Marshall, former director of strategic studies of the Rand Corp. NAG, as it is known, will produce White House assessments of the relative strategic balance between major powers, as well as assessments of intelligence quality.

The assessment of the strategic balance is a critical factor in the battle over future military budgets. U.S. military leaders, intelligence services and some outsiders have expressed anxiety about a large Soviet buildup of strategic arms and are calling for expanded U.S. counter-efforts.

The White House announcement also said that Mr. Nixon has ordered three consolidations in the Pentagon's intelligence organization:

- A national cryptologic command to consolidate all communications intelligence activities under the director of the National Security Agency, the monitoring and codebreaking agency with headquarters at Fort Meade, Md.

- An office of Defense investigations, to consolidate all personnel security investigations in the Defense Department.

- A Defense map agency to combine the now separate mapping, charting and geodetic organizations of the military services.

Officials said the reorganization is "not a plan to save money," but they expressed optimism that some funds will be saved through the various new controls and consolidations.